

***What Every Member of the
Trade Community Should Know About:***

Vehicles, Parts and Accessories Under the Harmonized Tariff Schedule



An Advanced Level
Informed Compliance Publication of the
U.S. Customs Service

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PREFACE

On December 8, 1993, Title VI of the North American Free Trade Agreement Implementation Act (Pub. L. 103-182, 107 Stat. 2057), which is also known as the Customs Modernization Act or “Mod Act,” became effective. These provisions amended many sections of the Tariff Act of 1930 and related laws. Two new concepts which emerge from the Mod Act are “*informed compliance*” and “*shared responsibility*.” These concepts are premised on the idea that in order to maximize voluntary compliance with Customs laws and regulations, the trade community needs to be clearly and completely informed of its legal obligations. Accordingly, the Mod Act imposes a greater obligation on Customs to provide the public with improved information concerning the trade community's responsibilities and rights under the Customs and related laws. In addition, both the trade and Customs share responsibility in carrying out import requirements. For example, under section 484 of the Tariff Act, as amended, (19 U.S.C. §1484) the importer of record is responsible for using reasonable care to enter, classify and value imported merchandise, and provide any other information necessary to enable Customs to properly assess duties, collect accurate statistics and determine whether any other applicable legal requirement is met. The Customs Service is then responsible for fixing the final classification and value of the merchandise. The failure of an importer of record to exercise reasonable care may lead to delay in the release of merchandise or the imposition of penalties.

This office has been given a major role in meeting Customs informed compliance responsibilities. In order to provide information to the public, Customs intends to issue a series of informed compliance publications, and possibly CD-ROMs and videos, on topics such as value, classification, entry procedures, determination of country of origin, marking requirements, intellectual property rights, record keeping, drawback, penalties and liquidated damages.

The Commercial Operations Division, Detroit, Michigan, and the National Commodity Specialist Division of the Office of Regulations and Rulings has prepared this publication on ***Classification of Vehicles, Parts and Accessories***, as part of a series of informed compliance publications regarding the classification of imported merchandise. It is hoped that this material, together with seminars and increased access to Customs rulings, will help the trade community in improving voluntary compliance with the Customs laws.

The information provided in this publication is for general information purposes only. Recognizing that many complicated factors may be involved in customs valuation issues, an importer may wish to obtain a ruling under Customs Regulations, 19 C.F.R. Part 177, or obtain advice from an expert (such as a licensed Customs Broker, attorney or consultant) who specializes in Customs matters. Reliance solely on the general information in this pamphlet may not be considered reasonable care.

Comments and suggestions are welcomed, and should be addressed to the Assistant Commissioner at the Office of Regulations and Rulings, U.S. Customs Service, 1301 Constitution Avenue, NW (Franklin Ct. Bldg), Washington, DC 20229.

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The Harmonized Tariff Schedule of the United States (HTSUS), which is the official classification book used by U. S. Customs to classify imported merchandise, is a rather intimidating piece of work. It runs over 800 pages in length and has more than 10,000 different ten-digit tariff classifications in it.

Vehicles (other than railway or tramway rolling-stock) are provided for in Chapter 87. Many of the parts and accessories for such vehicles are also classifiable in Chapter 87, but there are many exceptions. Knowing which tariff classification applies to a given article is not as easy as one might think. For one thing, there are some General Rules of Interpretation (GRIs for short) listed in the front of the book which govern tariff classification. For another, the legal notes to Section XVII, which includes Chapter 87, exclude many items which would seemingly go there.

The goal of this booklet is to explain in simple layman's language how such vehicles and their parts and accessories are classified so that importers, exporters, customs brokers and other Customs officers will know how to classify them correctly.

Before getting into specifics, however, a clarification of what constitutes a "vehicle" would appear to be in order. The term "vehicle" is derived from the Latin word "vehiculum." It means a carriage or conveyance. The type of vehicles which go in Chapter 87 are, **for the most part**, those whose main function is to transport people or things from one place to another (three exceptions: tractors, special purpose motor vehicles and armored fighting vehicles). Mobile machines in which a propelling base forms an integral part of a machine designed for handling, excavating, etc. are not considered for tariff purposes to be vehicles of Chapter 87. Fork lift trucks, excavators, bulldozers, front end loaders and the like are classifiable in Chapter 84 along with other "Machinery and Mechanical Appliances."

THE HEADINGS OF CHAPTER 87

Altogether there are sixteen different four-digit tariff headings or main groupings in Chapter 87. These are:

- 8701 Tractors (other than tractors of heading 8709)
- 8702 Motor vehicles for the transport of ten or more persons, including the driver
- 8703 Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 8702), including station wagons and racing cars
- 8704 Motor vehicles for the transport of goods
- 8705 Special purpose motor vehicles, other than those principally designed for the transport of persons or goods (for example, wreckers, mobile cranes, fire fighting vehicles,

concrete mixers, road sweepers, spraying vehicles, mobile workshops, mobile radiological units)

- 8706 Chassis fitted with engines, for the motor vehicles of headings 8701 to 8705
- 8707 Bodies (including cabs), for the motor vehicles of headings 8701 to 8705
- 8708 Parts and accessories of the motor vehicles of headings 8701 to 8705
- 8709 Works trucks, self-propelled, not fitted with lifting or handling equipment, of the type used in factories, warehouses, dock areas or airports for short distance transport of goods; tractors of the type used on railway station platforms; parts of the foregoing vehicles
- 8710 Tanks and other armored fighting vehicles, motorized, whether or not fitted with weapons, and parts of such vehicles
- 8711 Motorcycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side-cars; side-cars
- 8712 Bicycles and other cycles (including delivery tricycles), not motorized
- 8713 Invalid carriages, whether or not motorized or otherwise mechanically propelled
- 8714 Parts and accessories of vehicles of headings 8711 to 8713
- 8715 Baby carriages (including strollers) and parts thereof
- 8716 Trailers and semi-trailers; other vehicles, not mechanically propelled; and parts thereof

For those concerned with things "automotive," the principal headings of interest are 8701-8708. Heading 8701 covers all tractors except those of heading 8709 (the term "tractors" is defined in Note 2 to Chapter 87 as "vehicles constructed essentially for hauling or pushing another vehicle, appliance or load" and includes, in subheading 8701.20, road tractors which pull semi-trailers). Heading 8702 covers motor buses and coaches. Heading 8703 covers other vehicles for transporting people, like cars. Heading 8704 covers vehicles for transporting goods. Heading 8705 covers special purpose motor vehicles **other than those principally designed for the transport of persons or goods** (e.g. garbage trucks, even those with compactors, would go in 8704 if their principal function is to transport trash). It does not, however, cover self-propelled wheeled machines in which the chassis and the working machine are specially designed for each other and form an integral mechanical unit (road graders go in Ch. 84). Heading 8706 covers chassis with engines for all the foregoing vehicles, but does not include chassis fitted with engines **and** cabs (they go in headings 8702-8704). Heading 8707 covers bodies, including cabs, for the foregoing vehicles. And lastly,

heading 8708 covers parts and accessories for these motor vehicles. In general, articles are "parts" if they cannot be used on their own but must be combined with other articles to form goods capable of fulfilling an intended function; "accessories" are articles that are not needed to enable the goods with which they are used to fulfill their intended function.

Pretty simple stuff, right? Wrong! As anyone who has followed the ups and downs of sport utility vehicle classification over the years knows, it's not so easy sometimes to determine which heading a given article should have for tariff purposes. If a multipurpose vehicle is suitable for carrying both passengers and cargo, and has characteristics associated with both cars and trucks, should it go in 8703 or 8704? U. S. Customs for many years considered **two**-door sport utility vehicles like the Nissan Pathfinder to be motor vehicles for the transport of goods, which made them subject to a 25% duty. This position was eventually overturned by the courts, however, and such vehicles are now classifiable with motor cars and other motor vehicles principally designed for the transport of persons.

PARTS AND ACCESSORIES

As complicated as vehicle classification can be, however, it's usually much easier than trying to classify parts and accessories for them. For while heading 8708 reads "Parts and accessories of the motor vehicles of headings 8701 to 8708," it does not cover all such parts.

In order for motor vehicle parts or accessories to be classifiable under 8708, they must satisfy **all** three of the following conditions:

1. They must be identifiable as being suitable for use solely or principally with motor vehicles of heading 8701-8705.
2. They must not be excluded by Section XVII, Note 2.
3. They must not be more specifically provided for elsewhere in the HTSUS.

As we said in the beginning, classification is governed by six GRIs. Of these, the most important is the first one. GRI 1 provides that classification shall be determined according to the terms of the headings and any relative section or chapter notes. If you can classify goods using it, there is no need to refer to the others which follow in sequential order.

Since the provisions for motor vehicles in Chapter 87 are incorporated in Section XVII of the HTSUS, the legal notes to that section are particularly important. It is from there, in fact, that the first two conditions given above are derived. The third condition is based on GRI 3(a) which states that when goods are classifiable under two or more headings, the heading which provides the most specific description shall be preferred. The Additional U. S. Rules of Interpretation, which follow the GRIs in the book, reinforce this principle by providing in paragraph 1(c) that a provision for parts of an article covers products solely or principally used as a part of such articles, but a provision for

"parts" or "parts and accessories" shall not prevail over a specific provision for such part or accessory.

Unless one is dealing with parts which have multiple applications on motor vehicles of Chapter 87 **and** machines of Chapter 84, the first of these conditions is not likely to be a problem. Most parts used on cars and trucks are, after all, usually used only on motor vehicles--not other machines. The second condition, however, is another story. The exclusions listed in the notes to Section XVII are many and, to the untrained observer, easy to overlook. Among other things, these notes exclude all joints, washers or the like **of any material**; articles of vulcanized rubber other than hard rubber; parts of general use, as defined in Note 2 to Section XV (whether made of base metal or plastic); and gears and other transmission equipment of heading 8483 which are integral components of engines or motors (clutches, gears, torque converters and other vehicle transmission equipment of heading 8483 which are **not** integral components of engines or motors go in 8708).

In a similar vein, one must also keep in mind that some automotive parts and accessories which **are** specifically provided for in other chapters may still be classifiable in heading 8708 if they are excluded by other section or chapter notes. One not only has to be aware of Section XVII's notes, but those of other sections and chapters that might apply. Chapter 39, for example, has a note which excludes parts of vehicles of Section XVII. Consequently, a plastic hose or tube which is a finished auto part would go under 8708 rather than 3917, which is a more specific provision.

It is also important to keep in mind that legal notes in one place may be offset in another section or chapter. The aforementioned Chapter 39 legal note excluding parts of Section XVII vehicles does not mean that plastic gaskets or plastic mountings and fittings for doors, windows and coachwork go in 8708. Such articles are excluded from Chapter 87 by the exclusionary notes to Section XVII which cover "joints, washers or the like of any material" and "parts of general use."

PARTS OF GENERAL USE

The term "parts of general use," incidentally, is one that is often misunderstood by importers and exporters who come across the phrase. Contrary to what a lot of people think, it does **not** mean "parts which have multiple applications" or "parts which have no principal use." Made-to-order parts which are suitable for only one particular application and are not good for anything else can still be "parts of general use." The term has a very precise legal definition which may be found in Note 2 to Section XV. For purposes of Section XVII, it means the following types of articles whether made of iron or steel, some other base metal, or plastic:

I. Articles of heading:

- 7307 Tube or pipe fittings (e.g. couplings, elbows, etc.)
- 7312 Stranded wire, ropes, cables, slings and the like, not electrically insulated
- 7315 Chain and parts thereof

- 7317 Nails, tacks, drawing pins, corrugated nails, staples (other than those of heading 8305) and similar articles
- 7318 Screws, bolts, nuts, coach screws, rivets, cotters, cotter pins, washers and similar articles

II. Springs and leaves for springs, other than clock or watch springs

III. Articles of heading:

- 8301 Padlocks and locks; clasps and frames with clasps, incorporating locks; keys and parts of the foregoing articles
- 8302 Mountings, fittings and similar articles suitable for furniture, doors, windows, coachwork, trunks, chests, or the like; hat racks, hatpegs, brackets and similar fixtures; castors; automatic door closers
- 8306 Photograph, picture or similar frames; mirrors; and parts thereof
- 8308 Clasps, frames with clasps, buckles, buckle clasps, hooks, eyes, eyelets and the like and parts thereof of a kind used for clothing, footwear, awnings, handbags, travel goods or other made up articles; tubular or bifurcated rivets; beads and spangles
- 8310 Sign plates, name plates, address plates and similar plates, numbers, letters and other symbols, and parts thereof, except for those of heading 9405 (which covers illuminated signs, illuminated nameplates and the like, having a permanently fixed light source)

PARTS PROVIDED FOR ELSEWHERE

Of all the classification mistakes made by persons who are trying to classify auto parts using the HTSUS, the one most frequently encountered by U. S. Customs import specialists has to do with the third condition mentioned earlier. To wit, classifying parts and accessories under heading 8708 when they are more specifically provided for elsewhere (and there are no legal notes requiring that they go in Chapter 87). While a complete listing of all such parts is beyond the scope of this booklet, a partial list of some of the more common ones and their appropriate headings appears below:

<u>DESCRIPTION</u>	<u>HTS</u>
Air conditioners	8415
Alternators	8511
Antennas	8529
Antifreeze	3820
Batteries	8507
Bearings, ball and/or roller	8482
Bearing housings and housed bearings	8483*
Bearings, plain shaft type	8483*
Belts of rubber	4010
Bodies (including cabs)	8707
Bolts & other fasteners of steel	7318

Brake friction material & articles, not mounted, of asbestos, some other mineral substance, or cellulose	6813
Bushings (if plain shaft bearings)	8483*
Cable, electrical	8544
Cable, non-electrical, of steel	7312
Capacitors	8532
Camshafts & crankshafts	8483
Carpets, tufted	5703
Carpets, woven, not tufted or flocked	5702
Chain of steel (including timing chain)	7315
Chain sprockets	8483*
Chassis fitted with engine	8706
Cigarette lighters	9613

DESCRIPTION	HTS
Circuit breakers	8536
Clamps of steel for hoses	7326
Clocks	9104
Clutch friction material & articles, not mounted, of asbestos, some other mineral substance, or cellulose	6813
Compressors	8414
Control Boxes & panels	8537
Decals	4908
Defrosters & demisters	8512
Distributors & other ignition/starting equipment	8511
Engines, diesel	8408
Engines, gasoline	8407
Engine parts, not provided for elsewhere	8409
Fans & Blowers	8414
Filters	8421
Fittings & mountings of base metal for doors & windows	8302
Fittings of steel for pipes & tubes	7307
Flexible tubing of base metal	8307
Flywheels	8483*
Floor mats of rubber	4016
Fuel injectors for gasoline engines	8481
Fuel injectors for diesel engines	8413
Fuses & similar electrical apparatus	8536
Gauges	9026
Gaskets, washers & other seals of asbestos	6812
Gaskets, washers & other seals of cork	4504
Gaskets, washers & other seals of paper	4823
Gaskets, washers & other seals of plastic	3926
Gaskets, washers & other seals of rubber	4016
Gaskets made of metal sheeting combined with other material or other layer(s) of metal	8484
Gasket kits with gaskets of dissimilar composition	8484
Gears	8483*

Generators	8511
Handles & knobs of plastic	3926
Handles & knobs of rubber	4016
Harnesses, electrical	8544
Heaters, electrical	8516
Hoists, jacks, winches & other lifting equipment	8425
Horns & other sound or visual signaling equipment	8512
Hoses of rubber	4009
Hydraulic cylinders	8412
Integrated circuits	8542
Lamps	8539
Lenses of glass, signaling & optical	7014
Lighting equipment	8512
Locks & keys	8301
Magnets & electromagnetic articles	8505
Manuals & other printed matter	4911
Mirrors	7009
Motors, electric	8501
Motors, hydraulic or pneumatic	8412
Nameplates, signplates, etc. of base metal	8310
Nuts & other fasteners of steel	7318
Pins, cotter or dowel, & other fasteners of steel	7318
Printed circuit boards, blank	8534
Printed circuit boards, populated	8537
Pulleys	8483
Pumps for air	8414
Pumps for liquids	8413
Radios, with or without tape & CD players	8527
Relays & similar electrical apparatus	8536
Resistors, electrical	8533
Rivets of steel, except the bifurcated or tubular kind	7318
Rivets of base metal, bifurcated or tubular kind	8308

DESCRIPTION	HTS
Screws & other fasteners of steel	7318
Seals of plastic	3926
Seals of rubber	4016
Seats, cushions & other articles of furniture	9401
Shafts, transmission	8483*
Sparkplugs	8511
Speedometers & odometers	9029
Springs of steel	7320
Springs of copper	7416
Starter motors	8511
Studs & other fasteners of steel	7318
Switches & similar electrical apparatus	8536
Tape & CD players without a radio	8519
Thermostats, without valves	9032

Tires	4011
Tool kits consisting of different kinds of hand tools	8205
Transformers, electrical	8504
Turbochargers	8414
Universal joints	8483*
Valves	8481
Voltage regulators	8511
Washers & other fasteners of steel	7318
Windshield window safety glass	7007
Windshield wipers	8512
Wire & wiring sets, electrical	8544
Wrenches	8204

* Automotive parts provided for in heading 8483 are only classifiable there if they are integral parts of engines or motors. Clutches, torque converters and other power transmission equipment of 8483, which are not integral parts of engines or motors, fall under heading 8708 per Note 2(e) to Section XVII and the Explanatory Notes to 8483.

When consulting the above list, please keep in mind that it is being offered for reference purposes only and does not reflect the official position of how U.S. Customs thinks every part described should be classified. A chassis fitted with an engine and a cab, for example, is considered an unfinished vehicle rather than a chassis for purposes of 8706. Non-electrical steel cable of specific length and thickness which has special fittings and has assumed the character of articles of other headings may go in 8708 rather than 7312. Populated printed circuit boards, control modules and sensors which perform a measuring, checking, automatic regulating or controlling function with respect to liquids, gases, temperature, etc. may be classifiable under headings 9026-9032 rather than 8537. Valves are provided for in heading 8481, but intake and exhaust "valves" for internal combustion piston engines are classifiable under 8409 because they do not incorporate a valve body. Thermostats which consist of a valve are considered valves of 8481--not thermostats of 9032. Clutch facings containing mineral substances which are not the principal or fundamental substances do not have a basis of mineral substances and would fall under 8708 rather than 6813. Electrical cable or harnesses with lamp sockets and light bulbs may be lighting/signaling equipment of 8512 (or even auto parts of 8708 if they contain other electrical apparatus like switches) rather than insulated electric conductors of 8544. Also, be aware that parts of parts are usually provided for within the same heading or a subsequent one in close proximity, but some components may be specifically provided for elsewhere or precluded by section or chapter notes (e.g. windshield wipers go in 8512, but the rubber refill blades for them go under 4016).

THE EXPLANATORY NOTES

If you are in doubt about how something should be classified, it's always a good idea to consult the Explanatory Notes to the Harmonized Commodity Description and Coding System if they are available. The so-called Explanatory Notes are a four-volume reference set which represents the official interpretation of the tariff at the international level. They facilitate classification under the HTSUS by offering guidance in understanding the scope of the headings and GRIs.

GOOD INVOICING IS ESSENTIAL

Even if a person knows the GRIs like his own social security number and is aware of all the relevant legal and explanatory notes, classification is just guesswork if invoices do not give complete and accurate descriptions of what is being imported. This is especially true where there is a lack of uniformity between Customs and trade definitions. Fasteners are a good case in point. Many shippers of automotive parts consider just about any threaded fastener that can be used with a nut to be a "bolt." To Customs and the fastener industry, however, a threaded fastener which is used with a nut **may** be a "screw" that has a duty rate which is more than eight times higher! According to the Explanatory Notes for heading 7318, a bolt is designed to engage in a nut, whereas screws for metal are more usually screwed into a hole tapped in the material to be fastened. Screws are therefore generally threaded throughout their length, whereas bolts usually have a part of the shank unthreaded. These are, however, just a few of the characteristics that need to be examined. Both Customs and the fastener industry rely on a whole series of primary and supplemental criteria to distinguish a bolt from a screw.

Some other terms for auto parts that can be a problem because they are so vague are "actuator," "bearing," "gasket," "seal," "solenoid," "valve," and "washer." Such descriptions by themselves are too broad to classify the goods properly, and there is more than one classification and duty rate which could apply. Without more specific information, Customs officers may assume the classification with the highest duty rate is the right one--to the detriment of the party paying the duties. Needless to say, it is to the shipper and importer's advantage to make sure such articles are described fully enough to avoid further inquiries or unwarranted additional duty assessments from Customs.

APTA AND NAFTA

No discussion of automotive classification would be complete, of course, without some mention of the Automotive Products Trade Act (APTA) of 1965 and the new North American Free Trade Agreement (NAFTA) which went into effect on January 1, 1994. Under APTA, motor vehicles and original motor vehicle equipment which met the criteria for "Canadian articles" and fell in certain designated tariff provisions have been eligible for duty free entry. The eligible provisions are indicated in the HTSUS by a "B" in the Special Rates of Duty column. The rules of eligibility are far too complex to try to explain here, but are spelled out in detail in General Note 5 of the HTSUS

and Part 10, Section 10.84, of the Customs Regulations of the United States (title 19 in the Code of Federal Regulations).

NAFTA is significant because it (1) reduced the rates of duty on originating Canadian service parts which were not eligible for APTA because they did not go into original equipment manufacture (OEM) use and (2) extended preferential trade benefits to Mexico. The letters "CA" in the Special Rates of Duty column of the HTSUS indicate the free or reduced rate that applies to "originating" Canadian parts, while a "MX" denotes the free or reduced rate that applies to Mexican parts which qualify. Many Canadian service parts may also be eligible for subheading 9905.00.00, a provision established under the U. S.-Canadian Free Trade Agreement which preceded NAFTA. It covers equipment intended for use in the repair or maintenance of motor vehicles provided for in headings 8702-8704 (excluding electric trolley buses and three-wheeled vehicles) and of automobile truck tractors principally designed for the transportation of persons or goods. It does not, however, cover all repair or maintenance parts--just those which are enumerated by subheading number under that provision. The list covers 140 specific subheadings for parts which are classified from 3917.21 to 9606.22. Any parts classified elsewhere and parts of Mexican origin are not entitled to the accelerated duty reduction accorded by this provision. One major change under NAFTA is that non-originating articles can be exported to Canada for repairs or alterations and receive on their return duty-free treatment (if repaired or altered under warranty) or reduced FTA rates (if not covered by a warranty), **regardless of their origin**. Goods repaired or altered in Mexico, whether or not pursuant to a warranty, qualify for duty-free entry. No certificate of origin is required, but the regulations require declarations from the person performing such repairs or alterations, and the owner, importer, consignee or an agent thereof to substantiate the facts of the transaction. These latter documents may, however, be waived by Customs when, because of the nature of the goods or production of other evidence, it is apparent that the goods qualify.

As with APTA, the rules of NAFTA eligibility are too complicated to deal with here, but they are explained in great detail in General Note 12 of the HTSUS and in Part 181 of the Customs Regulations (note: the NAFTA regulations covering country of origin marking are in Part 102).

If after consulting these sources you are still confused about such concepts as "rules of origin," "regional value content," "preference criterion," the difference between the "transaction value method" and the "net cost method," etc., U. S. Customs has put out an excellent handbook on the subject called "The North American Free Trade Agreement--A Guide to Customs Procedures" (Customs Publication No. 571). It's available at your local Government Printing Office bookstore for about \$4.00, or may be ordered directly from the U. S. Government Printing Office in Washington. The mailing address for the latter is: U. S. Government Printing Office; Superintendent of Documents; Mail Stop: SSOP; Washington, DC 20402-9328.

FOREIGN TRADE ZONES

One additional final topic we would be remiss not to mention is Foreign Trade Zones (FTZs). FTZs, which are sometimes known internationally as "free zones" or "free trade zones," are enclosed

geographic areas where imported and domestic merchandise may be brought without being subject to the Customs laws of the United States. While in an FTZ, goods may be stored or processed through a variety of operations, and later be re-exported without payment of duties. Duties and taxes are only payable if and when the imported merchandise is entered into U. S. commerce for consumption. Unlike the zones established in most other countries, U. S. zone importers have the advantage of being able to choose when the goods enter the zone whether they want them to be assessed the duty rate of the merchandise in its condition at the time it is placed in the zone (privileged foreign status) or in its condition when it is entered for consumption from the zone (nonprivileged foreign status). The first FTZ was established on Staten Island in 1936. At last count, there were over 130 public zones and 90 subzones in the United States (a subzone is a special-purpose operation run by a single firm). For more on this subject, see Part 146 of the Customs Regulations and the General Regulations Governing Foreign Trade Zones (15 C.F.R. Part 400).

This booklet was prepared to assist importers, exporters and other members of the international trade community better understand the somewhat complex, and at times confusing, classification provisions and rules that apply to motor vehicles, parts and accessories. Hopefully we have cleared up some misconceptions and provided a reference guide which will prove to be useful to the reader in the future.

ADDITIONAL INFORMATION

Customs Electronic Bulletin Board

The Customs Electronic Bulletin Board (CEBB) is an automated system which provides the entire trade community with current, relevant information regarding Customs operations and items of special interest. It was established as another effort to promote the Customs Service as “trade friendly” within the importing and exporting community. The CEBB posts timely information including proposed regulations, news releases, Customs publications and notices, etc which may be “downloaded” to your own PC. The Customs Service does not charge the public to use the CEBB. You only pay telephone charges. To use the CEBB, you must have a personal computer with a modem. The CEBB supports modem speeds from 2400 to 28,800 baud. Set up your terminal as ANSI, set databits to 8, set parity to N and stopbits to 1. Dial (703) 440-6155 and log on with your name and choose a password. After a few questions, you are set to get up-to-date information from Customs. If you have any questions about the CEBB, call (703) 440-6236.

The Internet

The Customs home page on the Internet’s World Wide Web --which began public operation on August 1, 1996-- will also provide the entire trade community with current, relevant information regarding Customs operations and items of special interest. It was established as another effort to promote the Customs Service as “trade friendly” within the importing and exporting community. The home page will post timely information including proposed and final regulations, rulings, news releases, Customs publications and notices, *etc.*, which may be printed or “downloaded” to your own PC. The Customs Service does not charge the public for this service, although you will need Internet access to use it. The Internet address for Customs home page is <http://www.customs.ustreas.gov>.

Customs Regulations

The current edition of *Customs Regulations of the United States*, in loose-leaf format, is available by subscription from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402. The bound 1996 Edition of Title 19, *Code of Federal Regulations*, which incorporates all changes to the *Customs Regulations* from April, 1995 through March, 1996 is also available for sale from the same address. All proposed and final regulations are published in the *Federal Register* which is published daily by the Office of the Federal Register, National Archives and Records Administration, and distributed by the Superintendent of Documents. Information on on-line access to the *Federal Register* may be obtained by calling (202) 512-1530 between 7 a.m. and 5 p.m. Eastern time. These notices are also published in the weekly *Customs Bulletin* described below.

Customs Bulletin

The *Customs Bulletin and Decisions* (“*Customs Bulletin*”) is a weekly publication which contains decisions, rulings, regulatory proposals, notices and other information of interest to the trade

community. It also contains decisions issued by the U. S. Court of International Trade and Customs related decisions of the U. S. Court of Appeals for the Federal Circuit. Bound volumes are issued annually. The Customs Bulletin is available for sale from the Superintendent of Documents.

Video Tapes

The U. S. Customs Service has prepared a two hour video tape in VHS format to assist Customs officers and members of the public in understanding the new ***Rules of Origin for Textiles and Apparel Products*** which became effective on July 1, 1996. Copies of this tape are available from many trade organizations, customs brokers, consultants and law firms. The tape may also be purchased for \$20.00 (U.S. funds) directly from the Customs Service. If you require further information, or would like to purchase one or more tapes, please forward your written request to: U.S. Customs Service, Office of Regulations and Rulings, 1301 Constitution Avenue, NW, Franklin Court, Washington, DC 20229, Attn: Operational Oversight Division. Orders must be accompanied by a check or money order drawn on a U.S. financial institution and made payable to U.S. Customs Service.

On Tuesday, March 18, 1997, Customs started filling orders for its video tape entitled "Customs Compliance: Why You Should Care." This 30 minute tape is divided into two parts. Part I, almost 18 minutes in length, is designed to provide senior executives and others in importing and exporting companies with an overview of some significant features of the Customs "Modernization Act" and some major reasons for adopting new strategies for minimizing legal exposure under this Act. Part II is intended primarily for compliance officers, legal departments and company officers involved in importing and exporting. This latter Part, approximately 12 minutes in length, explains why Customs and the trade can benefit from sharing responsibilities under Customs laws and it provides viewers with some legal detail relating to record keeping, potential penalties for non-compliance, and Customs Prior Disclosure program.

Part I features Customs Commissioner George Weise, Assistant Commissioner for Regulations and Rulings Stuart Seidel, and Motorola's Vice President and Director of Corporate Compliance, Mr. Jack Bradshaw. Assistant Commissioner Seidel is the only speaker in Part II.

The tape is priced at \$15.00 including postage. New orders, complete with payment in the form of a check or money order, should be addressed to the U.S. Customs Service, Office of Regulations and Rulings, Attention: Operational Oversight Division, 1301 Constitution Avenue, NW (Franklin Court), Washington, D.C. 20229.

Informed Compliance Publications

The U. S. Customs Service has also prepared other Informed Compliance publications in the *What Every Member of the Trade Community Should Know About*: series, which are available from the Customs Electronic Bulletin Board and the Customs Home Page (see above). As of the date of this publication, the following booklets were available:

- # Fibers & Yarns
- # Buying & Selling Commissions
- # NAFTA for Textiles & Textile Articles
- # Raw Cotton
- # Customs Valuation
- # Textile & Apparel Rules of Origin
- # Mushrooms
- # Marble
- # Peanuts
- # Caviar
- # Bona Fide Sales & Sales for Exportation
- # Caviar
- # Granite
- # Internal Combustion Piston Engines
- # Vehicles, Parts and Accessories

Check the Customs Electronic Bulletin Board and the Customs Home Page for more recent publications.

Other Value Publications

Customs Valuation under the Trade Agreements Act of 1979 is a 96-page book containing a detailed narrative description of the customs valuation system, the customs valuation title of the Trade Agreements Act (§402 of the Tariff Act of 1930, as amended by the Trade Agreements Act of 1979 (19 U.S.C. §1401a)), the Statement of Administrative Action which was sent to the U.S. Congress in conjunction with the TAA, regulations (19 C.F.R. §§152.000-152.108) implementing the valuation system (a few sections of the regulations have been amended subsequent to the publication of the book) and questions and answers concerning the valuation system. A copy may be obtained from the U.S. Customs Service, Office of Regulations and Rulings, Value Branch, 1301 Constitution Avenue, N.W., Franklin Court Building, Washington, D.C. 20229.

Customs Valuation Encyclopedia (with updates) is comprised of relevant statutory provisions, Customs Regulations implementing the statute, portions of the Customs Valuation Code, judicial precedent, and administrative rulings involving application of valuation law. A copy may be

purchased for a nominal charge from the Superintendent of Documents, Government Printing Office, P.O. Box 371954, Pittsburgh, Pennsylvania 15250-7054.

Additional information may be obtained from Customs ports of entry. Please consult your telephone directory for a Customs office near you. The listing will be found under U.S. Government, Treasury Department.

The information provided in this publication is for general information purposes only. Recognizing that many complicated factors may be involved in customs valuation issues, an importer may wish to obtain a ruling under Customs Regulations, 19 C.F.R. Part 177, or obtain advice from an expert (such as a licensed Customs Broker, attorney or consultant) who specializes in Customs matters. Reliance solely on the general information in this pamphlet may not be considered reasonable care.